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RUEATRS/DEPT OF TREASURY WASHDC  
RHMFIUU/DEPT OF HOMELAND SECURITY WASHINGTON DC  
RUEAWJA/DEPT OF JUSTICE WASHINGTON DC  
RHMCSUU/FBI WASHINGTON DC  
INFO RUEHBJ/AMEMBASSY BEIJING 9925  
RUEHGZ/AMCONSUL GUANGZHOU 0257  
RUEHGH/AMCONSUL SHANGHAI  
RUEHSH/AMCONSUL SHENYANG 3454  
RUEHCN/AMCONSUL CHENGDU 0985  
RUEHIN/AIT TAIPEI 4281  
RUEHGP/AMEMBASSY SINGAPORE 3275  
RUEHKL/AMEMBASSY KUALA LUMPUR 7114  
RUEHJA/AMEMBASSY JAKARTA 1650

UNCLAS SECTION 01 OF 03 HONG KONG 004735

SIPDIS

STATE FOR EAP/CM, EB/ESC/TFS  
STATE FOR INL  
TREASURY FOR LEVEY/GLASER/SHARMA/LAROSA  
FBI FOR MONEY LAUNDERING UNIT/FINANCIAL CRIMES SECTION  
DEA FOR FINANCIAL OPERATIONS

SENSITIVE  
SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [PREL](#) [MC](#)

SUBJECT: Expanding USG Financial Crimes Training to  
Macau

¶1. (SBU) SUMMARY AND ACTION REQUEST: During 2005 - 2006 the USG has provided Macau's law enforcement authorities substantial training in anti-money laundering, financial crimes and counterterrorism financing (detailed in para 7). The USG-sponsored training has focused on providing Macau's law enforcement authorities with tools to identify and investigate money laundering, terrorist financing, credit card/bank fraud, cybercrime and other financial crimes. Macau passed significant anti-money legislation in 2006 and, as a next step, will be working on developing the knowledge and institutional means to effectively integrate the investigatory, analytic and prosecutorial aspects of a sound financial regulatory system. With Macau in the process of establishing a Financial Intelligence Unit (FIU), ConGen Hong Kong's Law Enforcement Committee recommends that the next stage of training focus on enhancing Macau's senior Monetary Authority and Law Enforcement officials' understanding of FIU operations, to include receiving, analyzing and disseminating suspicious transaction reports; working with the Public Prosecutions Office on how to prosecute cases; and sharing information with other jurisdictions. The goal would be to strengthen Macau's FIU operations and help it move toward Egmont-type operations and membership.

¶2. (SBU) ConGen Hong Kong requests Washington agencies consider what type of USG expertise could be made available toward this end, possibly, but not limited to deploying to Macau resident advisors from Treasury's Office of Technical Assistance, trainers from IRS-CID National Criminal Investigation Training Academy and/or instructors from the International Financial Fraud Training Program (IFFTP). Macau's growing casino industry has provided the MSARG with rapidly increasing tax revenues and larger budgets and it is possible that the Macau Special Administrative Region Government (MSARG) would be able to cover some of the training costs. END SUMMARY AND ACTION REQUEST.

¶3. (U) The United States Government is increasing its

interactions/profile in Macau in commercial, economic, financial, law enforcement and other areas. U.S. private sector investment is growing rapidly in Macau, particularly in the gaming, tourism and convention industries. In 2006, U.S. investment in Macau is estimated to reach US\$2.5 billion and in the three-year period from 2006 - 2008 will likely surpass US\$8 billion. Two U.S. gaming enterprises have operations in Macau, the Sands and Wynn. The Sands opened a casino in May 2005 and the Wynn opened a resort/casino in September 2006. MGM is building a resort/casino in Macau, scheduled to open in 2007. The Sands Venetian is building a 3000-room resort/casino/convention center that is scheduled to open in 2007.

14. (SBU) Since the U.S. Treasury Department designated Macau-based Banco Delta Asia as a "primary money laundering concern" in September 2005, the Macau Monetary Authority has been cooperating with U.S. Treasury authorities in investigating the bank. On March 23, 2006, the MSARG passed a 12-article anti-money laundering bill. Macau is in the process of establishing a Financial Intelligence Unit (FIU). The FIU is working with the Macau Judiciary Police on protocols for the receipt of suspicious transactions reports (STRs) and with the Public Prosecutions Office on how to prosecute financial crimes cases.

15. (U) As the USG supports Macau's efforts to strengthen the regulatory oversight of its financial, banking and casino sectors and as U.S. investment continues flowing into Macau, training efforts as mentioned below provide an opportunity to strengthen U.S. - Macau law enforcement ties and provide much needed and appreciated capacity building to

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Macau's law enforcement community. Post notes that in January 2007, the Drug Enforcement Administration (DEA) will conduct an additional Anti-Money Laundering Course for approximately forty members of Macau's Judiciary Police.

16. (U) Post's Law Enforcement Committee (chaired by the Consul General and Deputy Principal Officer and consisting of representatives from State's Economic/Political and Consular Sections and Regional Security Office, FBI, DEA, DHS/ICE, DHS/CBP, IRS-CID, USSS, Department of Commerce/Bureau of Industry and Security, and Executive Staff) notes that so far training has been geared toward providing Macau's law enforcement authorities with tools to identify and investigate money laundering, terrorist financing, credit card/bank fraud, cybercrime and other financial crimes. Post's Law Enforcement Committee members support this ongoing training by both coordinating the training and in sharing their in-house expertise with Macau's law enforcement authorities. Post's Law Enforcement Committee concurs that emphasis should be shifted in coming months to a higher-level, toward encouraging information sharing and prosecutions of financial crimes in Macau. With the MSARG in the process of establishing a Financial Intelligence Unit (FIU), the newly formed FIU would benefit from training in the receipt, analysis and dissemination of suspicious transaction reports, working with the public prosecutors office on how to prosecute cases and information sharing with other jurisdictions pursuant to the Egmont guidelines for FIUs. USG-provided training would usually emphasize improving the skills and policy understanding of more senior Macau regulatory officials, in addition to the law enforcement officers.

#### Recent Training Programs for Macau

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17. USG-provided anti-money laundering training/financial crimes training to Macau police authorities during 2005 - 2006:

-November 13 - 17, 2006: U.S. Secret Service (USSS) and

Department of Homeland Security Immigration and Customs Enforcement (DHS/ICE) and Customs and Border Protection (DHS/CBP) personnel provided training to Macau Law Enforcement Officers from the Unitary Police Force, the Judiciary Police and the Public Security Police. (NOTE: The Unitary Police Services oversee both the Judiciary Police and the Public Security Police, making both sides work in tandem. The Judiciary Police is responsible for serious crime investigations and the Public Security Police is primarily responsible for maintaining law and order.) Training consisted of detection of U.S. counterfeit banknotes, credit card/bank fraud, cybercrime and money laundering. Macau mid-level/working investigators attended the training, which focused on measures/procedures for actual criminal field investigations. The training was well received by the Macau officers. Additionally, the U.S. Secret Service conducted a separate seminar that covered

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counterfeit U.S. currency detection on November 15 for the Macau Monetary Authority, with approximately sixty participants from various Macau banks and casinos taking part. The Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) proposed this training course for the Macau Police authorities and provided funding for the visiting U.S. Secret Service trainers.

-April 24 - 28, 2006: U.S. Treasury's Office of Technical Assistance and Internal Revenue Service - Criminal Investigation Division (IRS-CID) Hong Kong collaborated to provide a one week training course in Macau. The focus of the course was on Financial Investigative Techniques, Money

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Laundering, and Terrorist Financing, and included approximately 48 participants from the Macau Gaming Inspection, Judiciary Police, Financial Services Bureau, Customs, Unitary Police, Commission Against Corruption, Trade and Investment Promotion Bureau, Monetary Authority, and the Justice Department. One afternoon session was open to the financial sector, and included approximately 100 participants from banks and other financial institutions in Macau.

- Since October 2005, the Consulate's Regional Security Office has sent 22 Macau police officers to the International Law Enforcement Academy (ILEA) in Bangkok, Thailand. At ILEA, the Macau Officers have taken courses on complex financial investigations, computer crimes, intellectual property rights as well as post-blast investigations, crime scene investigations, facility security and officer survival. The Macau police say the professional training they receive from ILEA, and the opportunity to meet counterparts from other Asian countries, have benefited the police force.

-May 24 - 25, 2005: The Federal Bureau of Investigation (FBI) in collaboration with IRS-CID and DHS/ICE sponsored a seminar at Hong Kong Police Headquarters on money laundering techniques. Assistant Director of the IRS-CID National Criminal Investigation Training Academy, Advanced Training Section, provided a presentation on border-related money laundering techniques involving "casa de cambios" (exchange houses) at the U.S. border. The Macau Judiciary Police attended this seminar, which provided an opportunity for both liaison and technical assistance.

-February 24 - 25, 2005: The FBI in collaboration with IRS-CID and DHS/ICE sponsored a seminar at Hong Kong Police Force Headquarters on anti-money laundering and the counter-financing of terrorism. The Macau Judiciary Police attended this seminar, which provided an opportunity for both liaison and technical assistance.

-January 10 - 14, 2005 - Drug Enforcement Administration

Hong Kong Country Office hosted a Money Laundering/Asset Forfeiture Training Seminar in Macau, conducted by the DEA's Office of International Training. Officers from the Unitary Police Bureau, Judiciary Police, Gaming Commission, Office of Economy and Finance, Gaming Inspection Bureau, Office of International Affairs, Monetary Authority and Office of Legal Affairs attended.

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